

Council on Postsecondary Education
May 19, 2003

Council on Postsecondary Education 2004-2010 Six-Year Capital Plan

Action: The staff recommends that the council approve the 2004-2010 Six-Year Capital Plan, which outlines the capital priorities for the agency over the next six years.

State law requires each agency, including the council and the public universities and colleges, to submit a six-year capital plan to the Capital Planning Advisory Board in each odd-numbered year. Any capital project with an estimated cost of \$400,000 or more or any equipment purchase with an estimated cost of \$100,000 or more must be included. The 2004-2010 agency plans can be revised until October 2003.

The council's 2004-2010 capital plan should include systemwide projects advanced by the council as well as any statewide capital project pools for eventual distribution to the universities and colleges. Capital projects for individual campuses are included in each institution's six-year capital plan. The projects listed in the first biennium of the 2004-2010 capital plan generally will evolve into the 2004-06 capital requests. The council will approve a 2004-06 capital recommendation in November.

Statewide Capital Pools

The capital plan includes three statewide project pools for the universities and colleges. The council staff may recommend that the projects be funded as part of the trust funds, except for the agency bond pool, as follows:

- **Capital Renewal and Maintenance Bond Pool.** The capital plan includes a \$100 million pool of state funds for each biennium, to be matched by the institutions, for capital renewal and maintenance. The match may vary depending on an institution's history of maintaining its campus. The specific projects that may be funded will be included in the institutions' 2004-2010 six-year capital plans.

- Instructional and Research Equipment Replacement Bond Pool. The capital plan includes a \$20 million pool for 2004-06 for the institutions to replace classroom instructional and research equipment. For a similar pool in 2000-02, the council required institutions to match the funds that are used to purchase research equipment. A similar approach is envisioned for the pool funds in 2004-06. ([See attachment.](#))

Systemwide Capital Projects Advanced by the Council

The capital plan includes ten systemwide capital projects. The cost to complete these projects is estimated to be \$20,150,000. The planned projects include Kentucky postsecondary education network enhancement, centralized learning services project, comprehensive data base management system, Website ADA compliance, electronic data bases, KYVU portal statewide license, library management system, interlibrary loan system, reference desk software, and a centralized hosting license. (See attachment.)

Agency Bond Pool

The General Assembly has consistently supported the issuance of agency bonds by the universities and the KCTCS for non-instructional capital needs. The capital plan includes a \$100 million agency bond pool for each biennium for colleges and universities. The agency bond pool would allow the institutions to fund capital projects related to auxiliary and revenue producing enterprises. Debt service for these bonds would be supported with institutional funds. The specific projects that may be funded as part of this bond pool will be included in the institutions' 2004-2010 six-year capital plans.

The council's 2004-2010 six-year capital plan was submitted to the Capital Planning Advisory Board Tuesday, April 16, 2003.